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GATES

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WASHINGTON

CIA director-designate Robert Gates was sharply criticized today for appearing to distance himself from "skimpy (and) really misleading" earlier testimony of former CIA director William Casey about the Iran-Contra affair.

Gates also was charged with attempting to have "passed the buck" when he heard the first inklings that Iran arms sales funds may have wound up with the Contras.

The questioning was some of the sharpest Gates has fielded in two days of hearings on his nomination to replace Casey, but none of it appeared to be enough to doom his chances of approval.

Gates repeated earlier statements that the evidence he had of a Contra diversion was slim and he immediately notified Vice Admiral John Poindexter, then head of the National Security Council of his concerns.

"So you basically passed the buck to Poindexter?" asked Sen. Bill Bradley, D-N.J., a Senate Intelligence Committee member.

"Now you can call that passing the buck," Gates retorted. "I call it trying to get it into the hands of those who are better prepared to evaluate the information that we had gotten."

Gates also got into sharp debate with Sen. Arlen Specter, R-Pa., over testimony Casey gave before a closed session of the committee on Nov. 21, 1986, just four days before the diversions of funds to the Nicaraguan rebels became public.

Specter said Casey's testimony was "skimpy, scanty, uninformative and really misleading," because the director told them little about the Iran arms affair.

Gates said, "I was in no position to know that something significant was being left out of the (Casey Nov. 21) testimony."

Gates reaffirmed that he opposed retroactive presidential "findings" that permit covert activities and said he was sure the CIA and the intelligence committee were aware of all findings presently in existence that authorize covert activity.

Asked by Bradley what he would do if he discovered a finding he had not known existed, Gates said, "The first thing I would do would be to hop in a car and come up here" to tell the committee.

Reagan's January 17, 1986, finding authorizing the arms sales instructed that Congress not be told of the action.

"Well, you're learning, Mr. Gates," Bradley said to laughter in the hearing room.

"Nobody ever accused me of being slow, senator," said Gates.

Gates, now acting director of the agency, said that while he directed subordinates to supply "all the facts" in preparing Casey's testimony and while he read two or three preliminary drafts of it, he would have to check with those who prepared the testimony to find out why Casey was not more forthcoming.

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"When you say you have to talk to those who drafted the testimony, again you try to distance yourself from that testimony," Specter replied angrily. "That's a shading which I find to have an element of dissembling. You took the strategic lead in preparing that testimony, you reviewed two or three drafts."

Specter asked Gates if he were a member of the committee would he today vote to confirm Casey as director of the CIA in view of what is now known about Casey's Nov. 21 testimony.

"Yes, I would," Gates said without hesitation.

Gates also said it is now clear that the Iran arms operation was a covert activity taken away from the agency with proper jurisdiction - the CIA -- and "that was a serious mistake."

Gates, describing the CIA role in the shipment of arms to Iran, said Lt. Col. Oliver North, the fired NSC official in charge of the policy, asked the agency for help in late November, 1985 to get an airplane for a "humanitarian mission associated with the release of hostages."

Gates said to his knowledge no questions were asked by the CIA, though he denied having any involvement with the agency's "logistical support" in the operation.

"If you were the director and such a request came from the chief of staff of the White House or the National Security Council, you're telling this committee you would ask what it's all about?" asked Sen. Dennis DeConcini, D-Ariz.

"You can bank on it," Gates replied emphatically.

Earlier in the day, Gates said today the agency's biggest problems are uneven funding, enemy spies and leaks of sensitive information.

In a day-long hearing Tuesday, Gates said if he had been CIA director at the of U.S. arms sales to Iran he would have fought -- and might have resigned over -- President Reagan's decision to keep Congress in the dark about the dealings.

In response to questions today from Senate Intelligence Committee Chairman David Boren, D-Okla., Gates said the agency's funding seems to come in "fits and starts."

Gates, a career intelligence officer, was nominated two weeks ago to replace Casey, who resigned because of his slow recovery from brain-cancer surgery.

In a day that focused exclusively on his role in the Iran arms deal, Gates acknowledged Tuesday several shortcomings in the CIA's participation in the project and promised never to allow an operation like it to happen again.

"Our officers violated our own internal regulations," he said. "We did not communicate well enough internally about what was going on. We should have protested more vigorously our involvement in operations where there were significant elements unknown to us and where we distrusted key figures."

Asked by Boren whether he believed it wise to use U.S. arms to open channels with Iran or to win release of American hostages in Lebanon, Gates replied: "No sir, I don't think so."

He went so far as to say the agency erred in not trying to reverse Reagan's secret Jan. 17, 1986, order to keep the arms deals hidden from Congress.

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saying that in early October 1986 he brought the suspicions of intelligence officer Charles Allen to other officials for evaluation -- including Reagan's national security adviser, Vice Adm. John Poindexter.

Gates acknowledged he did not share the material with congressional oversight committees but said that was because the information was 'flimsy' and because the CIA was operating under the Reagan order for secrecy.

The Contra diversion scheme was revealed publicly by Attorney General Edwin Meese Nov. 25, the same day Poindexter resigned and North was fired from his National Security Council staff post. Both are blamed in the scandal.

In sometimes acrimonious exchanges with several members of the panel, Gates maintained he did nothing wrong in handling Allen's suspicions of a diversion of arms sale profits to the CIA-formed Contras.

'The real issue is that when Allen came to me, I didn't sit on that,' Gates said. 'I didn't tell Allen to go away and come back with something more complete. I said let's take it to the next level.'

'At each stage, my instinct was not to sit on it and try to make it go away ... (but to) get it to people who had some idea on which to evaluate (it).'

Sen. Arlen Specter, R-Pa., who asked Gates some of the toughest questions at Tuesday's hearing, told him flatly at that point: 'I do not agree with you.'

Sen. William Cohen, R-Maine, the committee's vice chairman, suggested Gates may not have exposed details of the Iran arms affair because he was 'the new kid on the block' and did not want to risk his career.

If confirmed by the full Senate, the 43-year-old Gates would be the youngest CIA director, succeeding the 73-year-old Casey.

Gates defended Casey but told senators that under an informal arrangement his boss was generally responsible for both Iranian and Central American matters. Gates said he did not become fully aware of the problem until October.

Asked if Casey discussed the Contra diversion scheme with his friend the president, Gates replied, 'This was one area he did not share with me.'

Sen. Bill Bradley, D-N.J., asked Gates how he would have conducted himself if he had been CIA director during the affair. Gates replied that his 'only real regret' and the 'one mistake' he thinks the agency made was in not pressing for a reversal of Reagan's order not to tell Congress of the arms deals.

Gates said he did not resign over the issue but in the future might consider resigning under similar circumstances. He said he did not quit in this case because there was no wrongdoing and it was the first time the president had exercised his authority to withhold covert operations from Congress.

Gates's testimony about what he knew and when he knew it virtually mirrored testimony he gave to the Intelligence Committee Dec. 4, according to a 105-page transcript of that testimony released late Tuesday.

Gates is likely to be confirmed by the Senate in March. However, members of the Intelligence Committee said Tuesday they would await the Tower Commission report on the NSC's role in the scandal before voting on whether to approve the nomination and send it to the Senate floor.

The Tower Commission is the three-man panel Reagan appointed in November to review operations of his NSC staff. Its report is due by Feb. 26.